

2013 DRAFTING REQUEST**Assembly Amendment (AA-AB289)**

Received: 1/16/2014 Received By: mshovers
 Wanted: As time permits Same as LRB:
 For: Michael Schraa (608) 267-7990 By/Representing: Brandon, & Lance @ Sen. Gudex
 May Contact: Drafter: mshovers
 Subject: Local Gov't - tax incr financing Addl. Drafters:
 Extra Copies: EVM

Submit via email: YES
 Requester's email: Rep.Schraa@legis.wisconsin.gov
 Carbon copy (CC) to:

Pre Topic:

No specific pre topic given

Topic:

Decrement tax incremental districts (TID); required conditions must be met to allow value reset

Instructions:

See attached. Same as a1441

*Rep. Stroebel & staff
 may access this amendment,
 per Brandon*

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mshovers 1/16/2014	kfollett 1/16/2014					
/P1	mshovers 1/17/2014		rschluet 1/16/2014		sbasford 1/16/2014		
/1		kfollett 1/17/2014	rschluet 1/17/2014		mbarman 1/17/2014	mbarman 1/17/2014	

FE Sent For:

<END>

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/? mshovers

1/16/14 MES 1/16/14

FE Sent For:

<END>

Shovers, Marc

From: VerVelde, Brandon
Sent: Tuesday, January 14, 2014 4:36 PM
To: Burri, Lance; Shovers, Marc
Subject: RE: Amendment for the TID decrement bill

Thanks for drafting this, Marc.

-Brandon

--

Brandon P. VerVelde

Office of Rep. Michael Schraa
53rd Assembly District

Office: (608) 267-7990
Toll-free: (888) 534-0053
Email: Brandon.vervelde@legis.wi.gov

From: Burri, Lance
Sent: Tuesday, January 14, 2014 4:15 PM
To: Shovers, Marc
Cc: VerVelde, Brandon
Subject: Amendment for the TID decrement bill

Marc, would you please draft the amendment we discussed for both the Senate and Assembly? Brandon from Schraa's office is cc'd on this email, so you can discuss it with him.

Thanks.

Lance Burri
Office of Sen. Rick Gudex
608-266-5300

Shovers, Marc

From: Burri, Lance
Sent: Friday, January 10, 2014 3:49 PM
To: Shovers, Marc
Subject: amendment

Required for all TID's when they are in decrement to be eligible to reset value

Municipalities that have TID's in decrement of more than 10% over a two year period would have to deal with these new rules to reset values.

- Require a financial analysis be done and included in the project plan. Analysis needs to list project costs, annual expected revenue, and annual debt service along with other required studies and reports as required by §66.1105(4)(f). If the government does not have the technical skills available on staff to conduct a financial analysis, then the use of a qualified consultant is appropriate and required.
- TID must do 1 of the following 3 things:
 - A) Be a 51%+ pay Go TID
 - B) Require all incentives and direct costs to be fully amortized to 90% of the life of the TID.
 - Voluntarily limit the expenditure period to half the TID's remaining life unless there is a unanimous vote by the Joint Review Board to expand expenditures beyond that.
- Only allow the value to be reset once over the lifetime of the TID in decrement.

Lance Burri
Office of Sen. Rick Gudex
608-266-5300



RMNA

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

ASSEMBLY
(SENATE) AMENDMENT, ↑
TO SENATE BILL 252 289

today
or early
Fri. a.m.

1 At the locations indicated, amend the bill as follows:

2 1. Page 5, line 6: delete lines 6 to 16 and substitute:

3 "66.1105 (5) (h) 1. Subject to par. (i) and subds. 2. and 3), a local legislative body
4 may adopt a resolution requiring the department of revenue to redetermine the tax
5 incremental base of a district that is in a decrement situation that has continued for
6 at least 2 consecutive years.

7 2. A resolution adopted under subd. 1. may not take effect unless it is approved
8 by a joint review board under sub. (4m), acting as it would if the district's project plan
9 was to be amended.

10 3. A local legislative body may not adopt a resolution under subd. 1. more than
11 once during the life of a tax incremental district.

1 4. Upon approval by a joint review board under subd. 2., the department of
2 revenue shall redetermine the tax incremental base of the district under par. (a). //

3
4 **2.** Page 5, line 17: before that line insert:

5 **"SECTION 7m.** 66.1105 (5) (i) of the statutes is created to read:

6 66.1105 (5) (i) 1. Before a local legislative body may adopt a resolution
7 described in par. (h) 1., the local legislative body must complete a financial analysis,
8 as described in subd. 2, and must amend the project plan so that at least one of the
9 items specified in subd. 3., 4., or 5. occurs. The starting point for determining a tax
10 incremental district's remaining life, under subds. 4. and 5., is the date on which the
11 joint review board acts under par. (h) 2. and approves the resolution.

12 2. The local legislative body shall conduct a financial analysis of the tax
13 incremental district that includes, in addition to the items specified in sub. (4) (f) and
14 (i) 1., the annual and total amount of tax increments to be generated over the life of
15 the district, and the annual debt service costs on bonds issued by the city. If the city
16 does not have the expertise to complete the requirements of this subdivision, it shall
17 hire an entity which has the needed expertise to complete the financial analysis.

18 3. The project plan specifies that, with regard to the total value of public
19 infrastructure improvements in the district that occur after approval by the joint
20 review board under par. (h) 2., at least 51 percent of the value of such improvements
21 must be financed by a private developer, or other private entity, in return for the city's
22 agreement to repay the developer or other entity for those costs solely through the
23 payment of cash grants as described in s. 66.1105 (2) (f) 2. d. To receive the cash

1 grants, the developer or other private entity must enter into a development
2 agreement with the city as described in s. 66.1105 ^{Sub} (2) (f) 2. d.

3 4. The project plan specifies that the city expects all project costs to be paid
4 within 90 percent of the tax incremental district's remaining life, based on the
5 district's termination date as calculated under sub. (7) (ak) to (au).

K ****NOTE: The instructions referred to ^{all incentives and direct costs.} "all incentives and direct costs." I used the
defined term, "project costs." Is that OK, or did you mean something other than project
costs?

6 5. The project plan specifies that expenditures may be made only within the
7 first half of the tax incremental district's remaining life, based on the district's
8 termination date as calculated under sub. (7) (ak) to (au), except that expenditures
9 may be made after this period if the expenditures are approved by a unanimous vote
10 of the joint review board. No expenditure under this subdivision may be made later
11 than the time during which an expenditure may be made under sub. (6) (am).".

12 (END)

Shovers, Marc

From: VerVelde, Brandon
Sent: Friday, January 17, 2014 9:48 AM
To: Shovers, Marc
Subject: Amendment 1442

Hi Marc,

Received the amendment. I think we are satisfied with it. Could you send you an introducible draft?

Thanks,

Brandon

--

Brandon P. VerVelde

Office of Rep. Michael Schraa
53rd Assembly District

Office: (608) 267-7990
Toll-free: (888) 534-0053
Email: Brandon.vervelde@legis.wi.gov



State of Wisconsin
2013 - 2014 LEGISLATURE



LRBa1442/EJ /
MES:kjf:rs

PMR

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

ASSEMBLY AMENDMENT ,
TO ASSEMBLY BILL 289

today
only changes
on P.3

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4 may adopt a resolution requiring the department of revenue to redetermine the tax
5 incremental base of a district that is in a decrement situation that has continued for
6 at least 2 consecutive years.

7 2. A resolution adopted under subd. 1. may not take effect unless it is approved
8 by a joint review board under sub. (4m), acting as it would if the district's project plan
9 was to be amended.

10 3. A local legislative body may not adopt a resolution under subd. 1. more than
11 once during the life of a tax incremental district.

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2 revenue shall redetermine the tax incremental base of the district under par. (a).”.

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9 incremental district’s remaining life, under subds. 4. and 5., is the date on which the
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12 incremental district that includes, in addition to the items specified in sub. (4) (f) and
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14 the district, and the annual debt service costs on bonds issued by the city. If the city
15 does not have the expertise to complete the requirements of this subdivision, it shall
16 hire an entity which has the needed expertise to complete the financial analysis.

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18 infrastructure improvements in the district that occur after approval by the joint
19 review board under par. (h) 2., at least 51 percent of the value of such improvements
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21 agreement to repay the developer or other entity for those costs solely through the
22 payment of cash grants as described in sub. (2) (f) 2. d. To receive the cash grants,
23 the developer or other private entity must enter into a development agreement with
24 the city as described in sub. (2) (f) 2. d.

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(END)